

MINUTES
Education Reform Commission - Funding Formula Committee
August 27, 2015 – 10:00 A.M.
State Capitol - Room 450

The following Funding Committee Members were in attendance:

Tom Dickson, Kent Edwards, Terry England, Barbara Hampton, Jack Hill, Charles Knapp, Cynthia Kuhlman, Lindsey Tippins, Alvin Wilbanks and Dick Yarbrough.

Welcome by Charles Knapp

The August 27, 2015 meeting of the Funding Formula Committee was called to order by Dr. Charles Knapp.

Dr. Knapp welcomed committee members and guests.

Dr. Knapp stated that after this meeting there will be three meetings of the full Education Reform Commission and that he would like for the committee to begin focusing on recommendations that we are going to make. Of the five committees, the funding committee has the most difficult task. In terms of preliminary consensus, the committee must move forward. It is important to begin running models after this meeting to meet the deadline set by the Governor.

Dr. Knapp stated that there was an article in the newspapers relating to the poverty weight. A number of readers interpreted it as the deal is done. The deal is not done. Poverty is one of the proposed weights that the committee is discussing. Dr. Knapp indicated that he is not making any assumptions as to final recommendations. It is important that as members read things that no one assumes the deal is done. The committee is still operating in preliminary consensus.

Approval of Minutes from August 12, 2015

The minutes from the August 12, 2015 meeting were disseminated. A motion was made and seconded to approve the minutes as presented. The motion was unanimously approved.

Special Reports:

Special Education Weighting Recommendations by Martha Ann Todd

You have in your packet a document titled Special Education Weighted Category Model for Discussion. As background, the FTE funding for students is driven by the determination of a primary disability and service delivery model that best meets the needs for the student based on that disability and reflected in the student's IEP. However, many students have additional disabilities requiring additional services from multiple providers, and consideration of that is not reflected in the current funding formula. In our discussions with the Department of Education, we have discussed what the challenges are to the local districts in applying this model to determine the right services for the students in their care and IEP documents as well as looking at trying to get the funding that they need to be able to serve these students equitably. We've met specifically with Debbie Gay (head of Special Education at GADOE), as well as other staff from GADOE. They bring a lot of experience and perspective to this discussion. In our discussions, it was determined that a service-driven model makes more sense than a disability-driven

model for a number of reasons, not the least of which there are some disabilities that cover a huge spectrum in terms of the needs of services that are provided. We looked at a number of models. We looked at models in Florida, North Carolina, South Carolina, Alabama, and Tennessee. There are some things that are in common and there are some things that are different. There are multiple levels of weights. Florida's model made the most sense. We begin modeling after that and then we evolved into our own interpretation of what made sense to Georgia. The proposed weights you will see in this document are probably too high; they are not there to show you what we would propose the weight to be today, they're relatively proportional to the amount of time of service.

We talked about three big buckets. We talked about the lowest incidence with the most severe in service needs, we talked about the low incidence still severe in high service needs, and the biggest bucket which is the highest incidence with lower level of service required. We were able to model with data from 48 districts in the state that had data in their GOEP application that GADOE provides. If you like this model and you want us to continue to work with this, we will need to survey districts to collect the time their students are served.

This proposal will look at the amount of time the students are served. There's a Category A of students that receive services from 30 to 360 minutes which is 6 hours per week. Category B students receive 361-900 minutes which is a little more than 6 to 15 hours per week. This is the highest incidence lower level of service category that make up 41.2% of students in the sample that we had to work with. Category C is a high incidence lower level of service from 901 to 100 minutes which is 15 to 30 hours per week. Again this would take into account students that might be receiving fulltime services from a single provider, whether a teacher, para-professional or a nurse, or a combination of providers. We have many special education students that receives an array of services throughout the day. Categories D and E could actually be considered sub-categories of C in the sense they are the most extreme. They would be students that receive from 1800 to 3600 minutes which is 30 to 60 hours per week. And those would be your most intense level of services. They would include your students from fulltime resource classrooms.

Martha Ann Todd referred to a chart on page two of the document - 'Summary of Proposed Special Education Weights'. She emphasized the proposed weights listed are merely a starting point they put in place to demonstrate the relative weights compared to the time served in the expense of serving those students. Some of the weights will probably end up being too high when they finish modeling the numbers. Again, this is a starting place for comparison and discussion purposes.

Questions/Comments:

Tom Dickson: I don't think many of the systems will be gaming FTE in special education. When you add special education students you add a tremendous cost which is typically more than what you get from the state to pay for it. I think it's a losing proposition to try to game it in special education.

Martha Ann Todd: We talked about that with DOE in terms of real expense. No one has enough money to pay all the expense of special education. In any given year you could have a child that will cost a quarter of a million dollars, and you don't know if you will have that child this year or next year. In talking with DOE, this seemed to make more sense, and they felt it would make sense to the districts.

Kent Edwards: First and foremost, I like the model. Rep. Dickson is correct in my assessment from the standpoint where gaming it or "maximizing the funding". What's really appealing about it is as you

mentioned Martha Ann, it's when you allow systems to better align the service with the individual student and not cause any adjustments or unexpected adjustments from the school systems. I'm in favor of this model. It think it's a better fit for us.

Charles Knapp: Martha Ann, if the survey were extended to all the 180 districts, do your instinct suggest would there be major variations in these numbers? Would you and DOE be on target with expectations?

Martha Ann Todd: The distribution across the five levels seemed to make sense to all us. Susan and I worked with Kent. It seemed to make sense to the folks at DOE. I think you might see the percentages vary slightly. In any given year you can see the percentages varying slightly across the state.

Tom Dickson: One of the things about special education, when a system seems to for whatever reason they got an exceptional teacher that does very well, let's say with autistic children, you will find people moving into that community to avail themselves of that service. So, there are going to be great variations from system to system in terms of what the special education makeup is going to be. We have got to make some assumptions about what it's going to look like statewide.

Barbara Hampton: What proportion of the special education population and total population do those systems represent?

Martha Ann Todd: I do not have that number today. But honestly, if you like this model, we will need to collect that data regardless because we cannot model out the cost or figure out what the right weights are until we have that information.

Charles Knapp: I like the model too; it seems to be sensible. I think we can collect the data. A question we will have to face as a committee later on -- we started this discussion by all being concerned about the number of categories we had under QBE and whether to reduce the categories. Now we have a discussion about whether we have five categories or whether we have three.

Martha Ann Todd: Unless you all are set on three, I think you can say you have five that are much simpler than the five you had before with all the sub-categories. In discussions with DOE, hear there is a lot of confusion in the districts about trying to determine which category a student is in. You have some disabilities that cross every one of those five categories. DOE thought this would be clearer to the districts.

Kent Edwards: I agree. In looking at this model, especially for smaller systems, if you have low incidence high service, those are very difficult for us to make any adjustments. Where you have high incidence low service, you can make those at the classroom level. Because of the level of service you cannot do that with the low incidence high service students. Again I think with some of the confusion with the schools to wrap their mind around the other five, I think this is easily understood by them. I bounced it off of some of our folks and they got it.

Barbara Hampton: I like it too, but it's almost like we're going back and flip-flopping. Where QBE was segments and the proposed is units and special education was category, now it's time. It looks like the two are...

Martha Ann: The time will also be driven by the disability of some of the students. We still need to collect both sets of data and monitor that over time to make sure of the patterns. For example a child that has a speech disability is going to get 30 minutes to 1 hour.

Dick Yarbrough: How is it determined who is in Category A, B or C?

Martha Ann: In this model the IEP committee. This would be the student's teacher, parent or school administrator, school psychologist and possibly other people that are pulled in. But at the very least, these people would have to meet and determine the best service model for the student.

Dick Yarbrough: Has that always been done in the past?

Martha Ann Todd: Yes, always; that's a federal requirement.

Tom Dickson: Instead of making it simple, I would like to refer to it as making sense.

Martha Ann Todd: That's the feedback we've received.

Erin Hames: An IEP is an individualized education plan that's required under federal law for students that have special needs. It is a legal obligation for the district on the services that would be provided to that student. All of those partners that had to come around that student get together to develop that individual education plan and the district is responsible for providing the services that are agreed upon in that plan.

Charles Knapp: My question on five versus three - It seems it makes sense to go to five because the category is determined per pupil per three times the 3rd category.

Martha Ann Todd: Our rationale for modeling it this way is because the time could be as much as 3 times as much as cumulative time for those students.

Charles Knapp: I get a sense from the committee that we are willing to go ahead and flesh out the model and see where we are on the data.

Martha Ann Todd: We will work with DOE and develop a quick survey that we can send out to districts and we will turn it around as fast as we can.

Discussion of Local Five Mill Share, Equalization, Sparsity/Low Enrollment by Susan Andrews

In your packet you have a document that's titled "Supplemental Funding for Low Enrollment Districts." Sparsity grants are currently allocated to those districts which due to their low enrollment numbers, don't earn sufficient QBE funds to provide comparable education program as other districts in the state. It has been discussed around this table whether or not there are other characteristics of small districts for which we should control in a new funding formula. You have discussed district density, students per square mile as being one of those characteristics that you would like to look at as a factor of sparsity in determining funding. Specifically, as it relates to districts that receive additional funding for transportation costs. In the proposal you have in front of you, we've identified districts with enrollments of less than 3,300 and have fewer than six students per square mile. We selected 3,300 because that's what we consider a base size per district and we looked at less than six students per square mile because that would take into account all the districts that currently receive sparsity funding. Using those to identify qualifying districts, we came up with a list of districts that that either have fewer than 3,300 students or less than six students per square mile. Burke is a county that has less than six students per square mile although they have 4,000 students. To calculate earnings for the district, we would first determine the difference between the district enrollment and the base size of 3,300 and multiply that difference by \$200 to determine the earnings. There are two districts in this list that have student

density of less than six, but are larger than the base size. So with approximately 4,000 students, those districts would earn sufficient funding to provide a comparable education program, but due to the fact they are so large, and the students are so wide-spread, this would give them some support for transportation services. Earnings for current sparsity grant is \$25M and currently that's prorated to 27% which districts get in their earnings. We used \$25M when we modeled. It increases the number of districts by 35 districts that would earn sparsity funding.

Questions/Comments:

Charles Knapp: What's the history of that proration? Was it higher at some point?

Susan Andrews: The year before last, sparsity was not funded at all. Looking at the appropriation and looking what the state could afford; it's been higher and it's been lower.

Charles Knapp: Looks like there are two issues here: 1) Would density be an addition to the formula and 2) I have heard loud and clear from superintendents of small districts about this issue.

Susan Andrews: If you add 35 districts and the amount of money does not go up then you've diluted what those districts currently on the list are receiving.

Tom Dickson: I am not sure equalization is the best guide; I want to help the systems that are small and very poor.

Charles Knapp: We've talked before about Equalization, Five Mill and Sparsity really being tied together. Seems like one thing we may want to do is put a cap on equalization that in terms of being eligible with property tax value per student. If it's above a certain level, then they're not eligible.

Lindsey Tippins: Density would drive costs more. I like the idea about the student per square mile. If you're going to move anything in the formula, I would look at the size of the district.

Susan Andrews: So I hear the committee say density is the characteristic you want us to consider when looking at property tax wealth as another indicator. We will look into that.

Marietta City/Fulton County Compensation Reform by Ken Zeff

Dr. Knapp introduced Mr. Ken Zeff, Interim Superintendent of Fulton County Schools. Ken Zeff replaced Robert Avossa as Superintendent of Fulton County Schools.

Thank you Dr. Knapp and Commission members. This piece on compensation reform is something we have been working on for over 18 months. When we talk about compensation reform, no teacher will lose contracted pay in Fulton County Schools as a result of the compensation reform. We want people to know the work we're doing and the work we're looking at is how we allocate the future revenues.

We created a group of 125 teachers. We have about 7,000 teachers in Fulton County Schools. We have one or two in each of our buildings that come together periodically to look at research and help us develop a plan that makes sense that is fiscally prudent and is also in the best interest of the organization. The overwhelming message we heard from the teachers is that they want to be treated as professionals. They define professionalism as not treating every teacher the same. Individual performance needs to be reflected in their career path.

The current salary scale is not working. There are four components of the model developed:

- Strategic staffing for high needs school
- Tuition reimbursement instead of salary increases for advanced degrees
- Salary increases based on effectiveness
- Development of a career ladder with additional roles for high performing teachers to earn more money

Questions/Comments:

Dick Yarbrough: What I hear from teachers is the question of how teachers are evaluated. It seem we cannot make up our minds how teachers should be evaluated. And, all the clutter in the classroom that has nothing to do with teaching the child.

Mr. Zeff agreed and noted that districts have to improve the skills of leaders in using the evaluation instrument in terms of inter-rater reliability and in terms, of completing all components of the system. For compensation to be based on the evaluation, teachers have to trust that it is being implemented well.

Equalization by Martha Ann Todd

Martha Ann Todd led a discussion on Equalization Grant Considerations. Ms. Todd noted that this is just an opportunity for the group to review other states in terms of Equalization such as: Kentucky, North Carolina, Florida, Texas and Tennessee.

Question/Comments:

Alvin Wilbanks: I don't think you can address the equity problem using this proposal.

Charles Knapp: The last time we talked about this, we talked about moving averages.

Tom Dickson: I believe that has merit.

Terry England: Run the model on four years.

Lindsey Tippins: On equalization look at what the weighted average to those schools that have career academies. Make sure there's some parity on the millage rate.

Review of Weights in Relation to Total Funding by Martha Ann Todd

Martha Ann Todd asked the Funding Committee members to keep in mind, these are relative weights; when you adjust one you're adjusting somewhere else. Also, the preliminary weight sheet that was distributed is only a "draft."

Tom Dickson: I just want to make sure that things like teacher planning committee will be provided for in this weight.

Dick Yarbrough: There was some question as to whether K-3 should be funded differently.

Susan Andrews: Many children who are not reading on grade level.

Alvin Wilbanks: I think the K-3 weight should be 1.4.

Information on Current Funding by Susan Andrews. You see listed on the agenda the remaining issues that the committee needs to discuss to address education funding in totality.

Residential Treatment Centers

Pre-K Handicapped Students

State-Commissioned Charter School Funding

Special Needs Scholarship

Virtual Charter Schools RESAs

State Schools for Blind and Deaf

Dept. of Juvenile Justice Schools

Next Meeting: September 23, 2015; 10:00 AM; Capitol 450

Adjourn